

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

MONTHLY FINANCIAL REPORTING FORM

Submitted on 2/21/2003 1:09:56 PM

		1
1.	FOR THE MONTH ENDING:	December 31, 2002
2.	Name:	UDC Dental California, Inc.
3.	File Number:(Enter last three digits) 933-0	291
4.	Date Incorporated or Organized:	February 9, 1988
5.	Date Licensed as a HCSP:	December 15, 1989
6.	Date Federally Qualified as a HCSP:	
7.	Date Commenced Operation:	1990
8.	Mailing Address:	450 B Street, Suite 880, San Diego, CA 92101
9.	Address of Main Administrative Office:	450 B Street, Suite 880, San Diego, CA 92101
10.	Telephone Number:	(619) 236-9595
11.	HCSP's ID Number:	33-0360239
12.	Principal Location of Books and Records:	450 B Street, Suite 880, San Diego, CA 92101
13.	Plan Contact Person and Phone Number:	Janet Clark Stanley (619) 236-9595
14.	Financial Reporting Contact Person and Phone Number:	Janet Clark Stanley (619) 236-9595
15.	President:*	Janet Clark Stanley
16.	Secretary:*	Kenneth Dale Bowen
17.	Chief Financial Officer:*	Janet Clark Stanley
18.	Other Officers:*	Beverly Ann Brushaber - Vice President
19.		Danny Joseph Galginaitis - Vice President
20.		
21.		
22.	Directors:*	Michael John Peninger
23.		Bradley Clifford Johnson
24.		Kenneth Dale Bowen
25.		
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31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.




32. President	Janet Clark Stanley
33. Secretary	Kenneth Dale Bowen
34. Chief Financial Officer	Janet Clark Stanley
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. If this is a revised filing, check here:	<input checked="" type="checkbox"/>
36. If all dollar amounts are reported in thousands (000), check here	<input type="checkbox"/>

Check My Work.

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

MONTHLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes 
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No 
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No 

STATEMENT AS OF 12-31-2002 OF 933-0291 UDC Dental California, Inc.

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	199,417
2. Short-Term Investments	2,251,713
3. Premiums Receivable - Net	122,427
4. Interest Receivable	8,656
5. Shared Risk Receivables - Net	964
6. Other Health Care Receivables - Net	
7. Prepaid Expenses	73,142
8. Secured Affiliate Receivables - Current	267,046
9. Unsecured Affiliate Receivables - Current	
10. Aggregate Write-Ins for Current Assets	0
11. TOTAL CURRENT ASSETS (Items 1 to 10)	2,923,365
OTHER ASSETS:	
12. Restricted Assets	50,000
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	30,728
18. TOTAL OTHER ASSETS (Items 12 to 18)	80,728
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	
20. Furniture and Equipment - Net	
21. Computer Equipment - Net	
22. Leasehold Improvements -Net	
23. Construction in Progress	
24. Software Development Costs	
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	0
27. TOTAL ASSETS	3,004,093
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001.	
1002.	
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Current Tax Recoverable	23,769
1702. Deferred Tax Asset	6,959
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	30,728
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 12-31-2002 OF 933-0291 UDC Dental California, Inc.

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable		XXX	0
2. Capitation Payable	16,089	XXX	16,089
3. Claims Payable (Reported)	2,350		2,350
4. Incurred But Not Reported Claims	29,188		29,188
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			0
7. Other Medical Liability			0
8. Unearned Premiums	19,510	XXX	19,510
9. Loans and Notes Payable		XXX	0
10. Amounts Due To Affiliates - Current	335,626	XXX	335,626
11. Aggregate Write-Ins for Current Liabilities	307,580	0	307,580
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	710,343	0	710,343
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)		XXX	0
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	0	XXX	0
18. TOTAL OTHER LIABILITIES (Items 13 to 18)	0	XXX	0
19. TOTAL LIABILITIES	710,343	0	710,343
NET WORTH			
20. Common Stock	XXX	XXX	
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	
23. Contributed Capital	XXX	XXX	1,456,701
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	837,049
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	2,293,750
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	3,004,093
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Accrued Bonus & Commission	7,175		7,175
1102. Other Taxes Payable			0
1103. Escheated Checks (Uncashed Checks)	10,550		10,550
1104. Other Accrued Expenses	289,855		289,855
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	307,580	0	307,580
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701.		XXX	0
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0	XXX	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501.	XXX	XXX	
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0

STATEMENT AS OF 12-31-2002 OF 933-0291 UDC Dental California, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	171,026	1,922,750
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare		
5. Title XIX - Medicaid		
6. Fee-For-Service		
7. Point-Of-Service (POS)		
8. Interest	5,232	40,377
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	0	0
11. TOTAL REVENUE (Items 1 to 10)	176,258	1,963,127
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated		
13. Inpatient Services - Per Diem		
14. Inpatient Services - Fee-For-Service/Case Rate		
15. Primary Professional Services - Capitated	110,928	1,124,771
16. Primary Professional Services - Non-Capitated		
17. Other Medical Professional Services - Capitated		
18. Other Medical Professional Services - Non-Capitated		
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS		
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service		
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	0	0
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	110,928	1,124,771
Administration		
25. Compensation	8,842	117,462
26. Interest Expense		
27. Occupancy, Depreciation and Amortization		
28. Management Fees		
29. Marketing	20,501	137,354
30. Affiliate Administration Services		
31. Aggregate Write-Ins for Other Administration	20,501	129,211
32. TOTAL ADMINISTRATION (Items 25 to 31)	49,844	384,027
33. TOTAL EXPENSES	160,772	1,508,798
34. INCOME (LOSS)	15,486	454,329
35. Extraordinary Item		
36. Provision for Taxes	88,181	159,017
37. NET INCOME (LOSS)	-72,695	295,312
NET WORTH:		
38. Net Worth Beginning of Period	2,177,455	1,809,448
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	-72,695	295,312
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	188,990	188,990
49. NET WORTH END OF PERIOD (Items 38 to 48)	2,293,750	2,293,750

STATEMENT AS OF 12-31-2002 OF 933-0291 UDC Dental California, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001.		
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301.		
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. Other Admin Expenses	20,501	129,211
3102.		
3103.		
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	20,501	129,211
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801. Final Settle-up of Purchase Accounting	188,990	188,990
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	188,990	188,990

REPORT #3: STATEMENT OF CASH FLOWS (Direct Method)

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation		
2. Fee-For-Service		
3. Title XVIII - Medicare Premiums		
4. Title XIX - Medicaid Premiums		
5. Investment and Other Revenues		
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses		
8. Administration Expenses		
9. Federal Income Taxes Paid		
10. Interest Paid		
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	0	0
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments		
17. Payments for Property, Plant and Equipment		
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	0	0
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE MONTH		
29. CASH AND CASH EQUIVALENTS AT THE END OF THE MONTH	0	0
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	-72,695	295,312
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization		
32. Decrease (Increase) in Receivables		
33. Decrease (Increase) in Prepaid Expenses		
34. Decrease (Increase) in Affiliate Receivables		
35. Increase (Decrease) in Accounts Payable		
36. Increase (Decrease) in Claims Payable and Shared Risk Pool		
37. Increase (Decrease) in Unearned Premium		
38. Aggregate Write-Ins for Adjustments to Net Income	0	0
39. TOTAL ADJUSTMENTS (Items 31 through 38)	0	0
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	-72,695	295,312
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801.		
3802.		
3803.		
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

	1	2
	Current Period	Year-to-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
1. Net Income (Loss)	-72,695	295,312
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
2. Depreciation and Amortization		
3. Unrealized Gains/Losses on Equity Securities		
4. Gain/Loss on Sale of Assets		
5. Deferred Income Taxes		
CHANGE IN OPERATING ASSETS AND LIABILITIES		
(Increase) Decrease in Operating Assets:		
6. Receivables	-2,377	-23,078
7. Prepaid Expenses	1,101	-3,832
8. Affiliate Receivables	-92,683	-266,072
9. Aggregate write-ins for (increase) decrease in operating assets	-14,587	99,285
Increase (Decrease) in Operating Liabilities:		
10. Trade Accounts Payable	0	-1,937
11. Capitation Payable	-7,549	17,460
12. Claims Payable and IBNR	-2,483	-24,565
13. Other Medical Liability		
14. Unearned Premiums	1,859	-4,527
15. Affiliate Payables	41,777	335,626
16. Aggregate write-ins for increase (decrease) in operating liabilities	-66,609	284,067
17. NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	-214,246	707,739
CASH FLOW FROM INVESTING ACTIVITIES		
18. Proceeds from Restricted Cash and Other Assets		
19. Proceeds from Investments		2,154,408
20. Proceeds for Sales of Property, Plant, and Equipment		
21. Payments for Restricted Cash and Other Assets		
22. Payments for Investments	35,260	-4,201,895
23. Payments for Property, Plant, and Equipment		
24. Aggregate write-ins for cash flow provided by investing activities	0	0
25. NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	35,260	-2,047,487
CASH FLOW FROM FINANCING ACTIVITIES		
26. Proceeds from Paid-in-Capital or Issuance of Stock		
27. Loan Proceeds from Non-Affiliates		
28. Loan Proceeds from Affiliates		
29. Principal Payments on Loans from Non-Affiliates		
30. Principal Payments on Loans from Affiliates		
31. Dividends Paid		
32. Principal Payments under lease obligations		
33. Aggregate write-ins for cash flow provided by financing activities	0	0
34. NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	0	0
35. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-178,986	-1,339,748
36. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE MONTH	378,403	1,539,165
37. CASH AND CASH EQUIVALENTS AT THE END OF THE MONTH	199,417	199,417

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 9 FOR (INCREASE) DECREASE IN OPERATING ASSETS		
901. Deferred Tax Asset	10,146	5,982
902. Accounts Receivable - Protective	0	118,036
903. Current Tax Recoverable	-23,769	-23,769
998. Summary of remaining write-ins for Item 9 from overflow page	-964	-964
999. TOTALS (Items 901 thru 903 plus 998)	-14,587	99,285
DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR INCREASE (DECREASE) IN OPERATING LIABILITIES		
1601. Accrued Bonus & Commission	-785	-7,546
1602. Other Accrued Expenses	-183,357	281,248
1603. Other Taxes Payable	107,191	23
1698. Summary of remaining write-ins for Item 16 from overflow page	10,342	10,342
1699. TOTALS (Items 1601 thru 1603 plus 1698)	-66,609	284,067
DETAILS OF WRITE-INS AGGREGATED AT ITEM 24 FOR CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Item 24 from overflow page		
2499. TOTALS (Items 2401 thru 2403 plus 2498)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 33 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
3301.		
3302.		
3303.		
3398. Summary of remaining write-ins for Item 33 from overflow page		
3399. TOTALS (Items 3301 thru 3303 plus 3398)	0	0

REPORT #4: ENROLLMENT AND UTILIZATION TABLE**TOTAL ENROLLMENT**

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)				0				0			
2. Medicare Risk				0				0			
3. Medi-Cal Risk				0				0			
4. Individual				0				0			
5. Point of Service				0				0			
6. Aggregate write-ins for Other	18,299	540	193	18,646	18,646	0	0	#VALUE!	0	0	
7. Total Membership	18,299	540	193	18,646	18,646	0	0	#VALUE!	0	0	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Dental Only	18,299	540	193	18,646	18,646	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A
602.				0				0			
603.				0				0			
Summary of remaining write-ins for 698. Item 6 from overflow page				0				0			
Totals (lines 601 through 603 plus 699, 698) (Line 6 above)	18,299	540	193	18,646	18,646	0	0	#VALUE!	0	0	

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NOTES TO FINANCIAL STATEMENTS	
1.	See Attached Word Document
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OVERFLOW PAGE FOR WRITE-INS	
1.	998. Shared Risk Recievables - Net -964
2.	1698. Escheated Checks +10342
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STATEMENT AS OF 12-31-2002 OF 933-0291 UDC Dental California, Inc.

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06 AND 1300.84.2

		1			2	
1.	Net Equity		\$		2,293,750	
2.	Add: Subordinated Debt		\$			
3.	Less: Receivables from officers, directors, and affiliates		\$			
4.	Intangibles		\$			
5.	Tangible Net Equity (TNE)		\$		2,293,750	
6.	Required Tangible Net Equity (See Below)		\$		50,000	
7.	TNE Excess (Deficiency)		\$		2,243,750	
A.	Minimum TNE Requirement	\$	Full Service Plans	Specialized Plan		
			1,000,000	Minimum TNE Requirement	\$	50,000
B. REVENUES:						
8.	2% of the first \$150 million of annualized premium revenues	\$		2% of the first \$7.5 million of annualized premium revenue	\$	44,376
	Plus			Plus		
9.	1% of annualized premium revenues in excess of \$150 million	\$		1% of annualized premium revenue in excess of \$7.5 million	\$	
10.	Total	\$	0	Total	\$	44,376
C. HEALTHCARE EXPENDITURES:						
11.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$		8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$	
	Plus			Plus		
12.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$		4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$	
	Plus			Plus		
13.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$		4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$	
14.	Total	\$	0	Total	\$	0
15.	Required "TNE" - Greater of "A" "B" or "C" \$			Required "TNE" - Greater of "A" "B" or "C" \$		50,000

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE "ADJUSTED" TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1
1. Net Equity	\$ 2,293,750
2. Add: Subordinated Debt	\$
3. Less: Receivables from officers, directors, and affiliates	\$
4. Intangibles	\$
5. Tangible Net Equity (TNE)	\$ 2,293,750
6. Required Tangible Net Equity (From Line 18 below)	\$
7. TNE Excess (Deficiency)	\$ 2,293,750
ADJUSTED REQUIRED MINIMUM TANGIBLE NET EQUITY CALCULATION:	
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):	
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$
10. Add lines 8 and 9	\$ 0
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):	
<u>PART A</u>	
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 15)	\$
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$
13. Add lines 11 and 12	\$ 0

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WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Line 8 less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>

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